## REMARKS

Reconsideration of the above-identified application, in view of the amendments above and the remarks below, is respectfully requested.

Claims 1 - 40 are currently pending and subject to a restriction requirement. Applicants confirm the election of claims 1-14, and have cancelled claims 15-40 herein, reserving the right to file divisional applications. In addition, claim 1 has been amended and claim 8 has been cancelled herein.

Initially, applicants state that the subject matter of the claims was commonly owned at the time any inventions covered therein was made.

Claims 1-7 and 11-14 stand rejected under 35 U.S.C. 103(a) as being unpatentable over Imai, US 5120355, in view of Bates et al., US 5972094. The rejection is respectfully traversed.

In response, applicants have amended claim 1 to incorporate the subject matter of claim 8, to further define the emulsion as comprising an alkyl phenol component as comprising a  $C_{20}$ - $C_{42}$  alkyl group.

Imai, unlike applicants' claimed invention, does not teach or suggest the use of a C<sub>20</sub>-C<sub>42</sub> methylene coupled alkyl phenol. Imai only teaches a hydrocarbon resin which may or may not contain phenol, wherein the only phenols taught or suggested are phenol, catechol, resorcinol and hydroquinone (Column 3, lines 54-63). Therefore, Imai does not teach or suggest the combination of C<sub>20</sub>-C<sub>42</sub> methylene coupled alkyl phenol with a wax, a polynaphthalensulfonic acid and a carboxymethylcellulose component, or the resultant emulsion would achieve improved water resistant properties. Bates et al. in combination with Imai, does not solve this deficiency.

Applicants have enclosed a terminal disclaimer to obviate the non-statutory obviousnesstype double patenting rejection over claims 1, 4-16, and 19-21 of US Patent No 7,294,189. Reconsideration of this rejection is respectfully requested.

If any fees are due in conjunction with this submission, Applicants hereby grant the USPTO to withdraw the required fees from deposit account number 50-1863.

In light of the above amendments and remarks, it is respectfully submitted that the pending claims of the present application are in condition for allowance. If the Examiner has any questions or requires additional information, he is invited to contact the undersigned.

Respectfully submitted.

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